

Consent to Mortgage of Lease Application

Park Management Services
2nd Floor, 3211 Albert Street
Regina, SK S4S 5W6
Phone: 306-787-8676

THIS AGREEMENT EFFECTIVE as of the _____ day of _____, 20____

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF SASKATCHEWAN,

as represented by the Minister of
Parks, Culture and Sport
(called the "Minister")

-and-

"Lessee"

Name(s) _____

Mailing Address _____ Province _____ Postal Code _____

Phone Number _____ Cell Number _____ Email _____

- and -

"Lending Institution"

Name _____

Mailing Address _____ Province _____ Postal Code _____

Phone Number _____ Email _____

WHEREAS on or about the ____ day of _____, the Minister as Lessor, and _____ as Lessee did enter into an agreement styled "Commercial Lease Agreement" with respect to certain lands located on a portion of the _____ Quarter of Section _____, _____ Township _____, Range _____, West of the _____ Meridian, as further set out and described in Schedule "A" of the Commercial Lease Agreement, which is attached as Appendix "A" hereto, located at _____ Provincial Park in the Province of Saskatchewan, which Commercial Lease Agreement is hereinafter called the "Lease";

AND WHEREAS the Lessee is desirous of granting a mortgage of lease to the Lending Institution covering the leasehold interest of the Lessee under the Lease, which mortgage is attached hereto as Appendix B and is hereinafter referred to as the "Mortgage";

AND WHEREAS pursuant to the said Lease: "The Lessee shall not assign, sell, sublet, mortgage, transfer or otherwise dispose of its interests (which interests include but are not limited to the leasehold, equipment and improvements) under this agreement without the prior written consent of the Lessor.";

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions contained herein, THIS AGREEMENT WITNESSETH AS FOLLOWS:

Consent

1. Subject to the other provisions of this Agreement, the Minister does hereby consent to the Lessee granting a Mortgage to the Lending Institution in the form of Mortgage attached hereto as Appendix B.

Notice to Lending Institution

2. The Minister shall send by registered mail to the Lending Institution at its address herein a copy of each notice of default by the Lessee under the Lease at the same time as and when such notice of default shall thereafter be sent by the Minister to the Lessee. No notice by the Minister shall be deemed to have been given to the Lessee unless and until a copy thereof shall have been so given to the Lending Institution.

Lending Institution's Right to Cure Default

3. (a) At any time the Minister shall serve any notice of default in accordance with the provisions of section 2, the Lending Institution shall have the right, within 30 days after service of the said notice, to remedy such default or cause the same to be remedied, and the Minister shall accept such performance by or at the instigation of the Lending Institution as if the same had been performed by the Lessee.
(b) In the event the Lending Institution or its nominee becomes tenant to the Minister whether by way of assignment, quit claim, foreclosure or other realization of its security or by operation of law, the Minister agrees that it shall recognize such tenancy provided however that the Lending Institution or its nominee may not assign, sell or otherwise dispose of the Lease without written consent of the Minister, which consent will not be unreasonably withheld.

Minister's Rights Re: Lending Institution

4. In the event of default by the Lessee thereby rendering the Lease liable in termination or cancellation, the Minister may terminate the Lease, provided however the Minister shall give notice in writing by registered mail to the Lending Institution of the Minister's intention to terminate or cancel the Lease.

Lending Institution's Rights to Continue

5. If the Minister elects to terminate the Lease as provided for in section 4 hereof, the Lending Institution shall have the right, exercisable by notice in writing served by registered mail to the Minister within 30 days after service of the notice by the Minister under section 4, to take over the Lease, and in such case the Minister will enter into a new lease with respect to the leased area with the Lending Institution, or its nominee, for the remainder of the term of the original Lease effective on the day immediately prior to the day such termination or cancellation occurs, at the rent and additional rent and upon all the terms, provisions, covenants and agreements contained in the original Lease. It is understood that if the Lending Institution gives the said notice within the time required, the Minister will not terminate or cancel the Lease, except subject to the terms and conditions hereof. PROVIDED HOWEVER, it is and shall be a condition of the granting of such new lease to the Lending Institution or its nominee that:
 - (a) the Lending Institution's notice to the Minister under this section 5 shall be accompanied by payment to the Minister of all sums then due to the Minister under the Lease, together with reasonable expenses; and
 - (b) the Lending Institution shall pay to the Minister at the time of the execution and delivery of the proposed new lease any and all sums which would at the time of execution and delivery of such new lease be due under the Lease but for such termination, or if the Lease shall have been terminated by reason of any default, the curing of which default requires that the Bank shall be in possession, then the Lending Institution or its nominee shall immediately upon taking possession of the leased area, commence and diligently prosecute the curing of such default and pay to the Minister all expenses.

In the event the Lending Institution or its nominee shall enter such new lease with the Minister or if the Lending Institution shall realize on the security given to it under the terms of the Mortgage, the Lending Institution or its nominee may not assign, sell or otherwise dispose of the Lease, or any of its interests thereunder without the written consent of the Minister, which consent will not be unreasonably withheld. The Lending Institution further agrees to be bound by the Minister's rights of first refusal and repurchase as contained in the said Lease.

Lending Institution not Obligated to Remedy Defaults

6. (a) The Minister acknowledges and agrees that the Lending Institution shall not be required, except as a condition to obtaining a new lease under the provisions of section 5 hereof or to becoming tenant of the Minister as mentioned in clause 3 (b), to cure or remedy any default or defaults of the Lessee which the Lending Institution is entitled to cure or remedy pursuant to section 3 hereof.

(b) Where the Lessee:

(i) Fails to pay an amount of rent or other charges when due and payable under the terms of the Lease, or

(ii) Fails to perform or comply with any other covenant, term or condition in the Lease to be performed or complied with by the Lessee,

the Lending Institution before forfeiture or termination may make all payments and do all things to prevent a forfeiture or termination of the Lease. In the event that the Lending Institution does not cure or remedy the default of the Lessee, as permitted herein, the Minister may terminate the Lease in accordance with the terms and provisions of the Lease and of this Agreement.

Lessee Liable

7. Nothing herein shall in any way relieve the Lessee from its obligations under the Lease, and the Lessee covenants with the Minister and the Lending Institution to observe all covenants, terms and provisions of the Lease and to exercise all rights of renewal and extension thereunder so long as any moneys secured by the Mortgage are outstanding.

Further Assignments

8. The Minister agrees not to consent to any further or other assignment, sublease, transfer, mortgage, pledge or encumbrance of the Lease, by the Lessee without the consent of the Lending Institution, until the Lending Institution has notified the Minister in writing that the loan secured by the Mortgage has been paid or satisfied.

Enurement

9. This Agreement shall enure to the benefit of and be binding on the parties hereto and their heirs, successors and permitted assigns.

Notice

10. (1) Any notice required to be served on or delivered to the Minister under this Agreement may be delivered personally or by sending it by registered mail to the following address: **Ministry of Parks, Culture and Sport, Parks Service, 2nd Floor 3211 Albert Street, REGINA SK S4S 5W6.**

(2) Any notice to be served on or delivered to the Lending Institution under this agreement may be served personally or by sending it by registered mail to the address shown in this agreement.

(3) Any notice to be served on or delivered to the Lessee under this agreement may be served personally or by sending it by registered mail at the address shown in this agreement.

(4) A party may change its address for service by giving both parties written notice of the change.

Minister's Rights

11. (a) Notwithstanding anything in the Mortgage, the consent by the Minister to the Mortgage as contained herein shall be without prejudice to, and shall not constitute a waiver of any of the rights of the Minister under the terms and provisions of the Lease or The *Parks Act* R.S.S. c.P-1.1., except as specifically provided herein in this Agreement.

(b) Without limiting the generality of the foregoing, the Lending Institution acknowledges the obligations of the Lessee under subparagraph 29(b) of the Lease to use all proceeds of insurance for rebuilding the improvements in the event of their damage or destruction. The Lending Institution hereby agrees that notwithstanding anything in the Mortgage, any and all proceeds of insurance that are payable in the event of damage or destruction of the improvements shall be applied first to the repairing or rebuilding of the improvements in accordance with the said Lease. In this lease, the word "improvements" means "improvements" as defined in subparagraph 1(c) of the Lease.

(c) Notwithstanding anything in the Mortgage, the parties acknowledge and agree that the Minister's consent to the Mortgage herein is limited to the securing of advances or indebtedness owed by the Lessee in an amount not exceeding _____ (\$ _____) and in relation only to the financing of the development on the lands described herein and operation thereof, and any security granted by the Lessee against the leasehold interest for the securing of moneys or financing for any other purpose, or in excess of the aforementioned amount, shall be void as against the Minister and the said lands.

I/We, the Lessee(s) and Lending Institution, have read and understand the terms and conditions of this Agreement and are prepared to comply fully with such terms and conditions.

Signed this _____ day of _____, 20____.

Lessee _____ Witness or Corporate Seal _____

Lessee _____ Witness or Corporate Seal _____

Lending Institution _____ Witness or Corporate Seal _____

FOR MINISTRY USE ONLY

This certifies that this Consent to Mortgage of Lease is approved by the Ministry of Parks, Culture and Sport this _____ day of _____, 20____.

Ministry Official

Consent to Mortgage of Lease Instructions

Purpose:

The Consent to Mortgage of Lease Application is to be completed by both the lessee and lending institution when financial assistance is required pertaining to a commercial lease disposition on park land. All requirements of the disposition must be complete before a consent to mortgage can be approved.

Who Completes:

The Current Lessee(s)
The Lending Institution

Who can Witness:

1. Anyone 18 years of age or older and who is not party to the agreement can witness a signature.

Completion Notes:

1. **Consent to Mortgage of Lease Documents** - complete in full and ensure they are endorsed by both the lessee and lending institution (along with a letter of discharge from previous lending institution if applicable).
2. **Mortgage Documents** – Applicant must provide a copy of the mortgage documents as appendix B.
3. **Lease Fees** – Applicant must ensure all fees and levies are up to date. Payments may be made in person at your local provincial park office, for payment by Visa or MasterCard please call 1-800-667-5477. Payment by cheque or money order please forward to: The Ministry of Environment, PO Box 1064, REGINA SK S4P 3B2 (payable to: Minister of Finance).
4. **Application Fee** – Fee of \$100.00 is payable to the Minister of Finance and must be submitted with the application.

Upon Submission:

Once all of the steps are complete, applicant may then submit all of the required documents indicated to **Ministry of Parks, Culture and Sport, Business Development & Leasing, 2nd Floor, 3211 Albert Street, Regina SK S4S 5W6**. Please allow a minimum 2 - 3 weeks for processing.

Once the Consent to Mortgage of Lease has been approved and endorsed by the Ministry of Parks, Culture and Sport, the Consent to Mortgage of Lease and a copy of the Commercial Lease Agreement will be forwarded to the lender or representing lawyer.